



## Idaho Public Utilities Commission

P.O. Box 83720, Boise, ID 83720-0074

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Paul Kjellander, Commissioner

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Case No. INT-G-14-02, Order No. 33248

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[www.puc.idaho.gov](http://www.puc.idaho.gov)

## Intermountain Gas seeks higher depreciation rate

**BOISE (March 11, 2015)** – The Idaho Public Utilities Commission will take comments through March 19 on an Intermountain Gas Company application to increase its composite depreciation rate to 3.12% from 3.07%. The request does not impact rates for Intermountain Gas' 330,000 customers across southern Idaho.

The effect of the higher rate would be to increase Intermountain's annual depreciation account by \$307,211. The company also seeks to increase its total General Plant amortizations from \$1.75 million to \$2.6 million.

Utilities are allowed a depreciation component in retail rates to help cover the costs to replace facilities. Intermountain Gas updates its depreciation rate every three years. It contracts with an outside vendor, AUS Consultants, to conduct the update study.

The study determined Intermountain Gas is under-depreciating its assets. The study addressed, among other items, adjustments to the projected lives of Intermountain's electronic transmitters used to read meters, its distribution mains and service lines and improvements made to the company's Liquefied Natural Gas facility in Nampa.

Intermountain began using the electronic read transmitters in 2002. The units were expected to continue in service for 15 years. However, recent studies indicate that the devices will need to be replaced earlier than anticipated, resulting in a shortening of their remaining useful life.

Depreciation, as applied to Intermountain Gas' plant, means the loss in service value not restored by maintenance or covered by insurance, but incurred in connection with wear and tear, decay, inadequacy, obsolescence and new requirements from public authorities, among other causes.

Comments are accepted via e-mail through March 19 by accessing the commission's Website at [www.puc.idaho.gov](http://www.puc.idaho.gov) and clicking on "Case Comment Form," under the Natural Gas heading. Fill

in the case number (INT-G-14-02) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.

A copy of the company's application and other documents related to this case can also be accessed on the commission's Web site. Click on "Open Cases" under the Natural Gas heading and select the case number above.

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